EMALAHLENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	NOTES	2010 R	2009 R
ASSETS			
Current assets			
Cash and cash equivalents	1	16 831 820	71 167 063
Trade and Other Receivables:Exchange Transactions	2	86 080 252	75 726 380
Other Receivables:Non-Exchange Transactions	3	75 520 820	64 940 264
Inventories	4	16 644 571	13 371 921
Investments	5	13 629 245	94 323 017
		208 706 708	319 528 645
Non-Current assets			
Trade and Other Receivables:Exchange Transactions	2	0	0
Other Receivables:Non-Exchange Transactions	3	3 877	13 201
Property, plant and equipment	6	2 292 679 021	2 318 466 139
Investment Property	7	3 022 220	3 022 220
Intangible Assets	8	315 526	189 622
		2 296 020 644	2 321 691 182
TOTAL ASSETS		**2 504 727 352**	**2 641 219 827**
LIABILITIES			
Current liabilities			
Trade and Other Payables : Exchange Transactions	9	239 088 224	201 470 568
Financial Liabilities	10	38 189 902	35 154 595
Provisions	11	3 412 881	2 892 874
		280 691 007	239 518 037
Non-current liabilities			
Trade and Other Payables : Exchange Transactions	9	0	0
Financial Liabilities	10	236 350 503	267 597 026
Provisions	11	146 202 000	101 078 400
Reserve	12	6 000 000	6 000 000
		388 552 503	374 675 426
TOTAL LIABILITIES		**669 243 510**	**614 193 463**
NET ASSETS			
Accumulated surpluses/(deficits)		1 835 483 842	2 027 026 364
TOTAL NET ASSETS		**2 504 727 352**	**2 641 219 827**

EMALAHLENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
REVENUE		
Executive & Council	377 098	499 663
Finance	299 244 359	292 017 547
Administration and resource management	1 065 317	2 414 341
Planning & Development	16 116 281	3 931 834
Health	1 935 000	3 870 351
Community & Social Services	1 537 367	1 860 335
Housing	3 188 410	2 874 025
Public Safety	17 270 016	15 261 479
Sport & Recreation	5 616 435	211 618
Environmental Protection/Management	13 027	13 008
Waste Management	40 700 947	35 826 262
Waste Water Management	86 252 128	67 860 497
Roads and stormwater	4 986 503	19 076 399
Water	125 653 972	108 443 421
Electricity	375 182 183	296 823 722
Other (Market)	5 225 100	5 243 812
TOTAL REVENUE	**984 364 143**	**856 228 314**
EXPENSES		
Executive & Council	97 526 670	168 622 755
Finance	103 515 640	92 643 861
Administration and resource management	67 616 825	64 426 523
Planning & Development	44 817 992	44 909 878
Health	11 889 057	10 556 804
Community & Social Services	22 112 113	21 573 083
Housing	9 474 536	9 787 038
Public Safety	56 425 223	52 099 263
Sport & Recreation	20 109 758	19 470 806
Environmental Protection/Management	3 173 441	2 880 678
Waste Management	49 150 967	46 630 219
Waste Water Management	40 215 358	33 779 308
Roads and stormwater	34 199 273	30 605 760
Water	135 541 520	114 486 118
Electricity	445 895 306	351 791 988
Other (Market)	11 664 394	11 290 815
TOTAL EXPENSES	**1 153 328 073**	**1 075 554 897**
Gains on sale of property, plant and equipment	0	
Total non-operating revenue (expenses)	**0**	**0**
Surplus/(deficit) for the period	**-168 963 930**	**-219 326 583**

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010

		2010 R	2009 R
REVENUE			
Taxes	13	147 721 620	134 283 471
Income : Tariff Charges	14	569 199 166	445 226 343
Fees, fines, penalties and licences		24 549 352	18 964 543
Government grants and subsidies	15	169 409 089	148 193 697
Interest		29 182 983	65 069 745
Other operating revenue		44 301 934	44 490 518
TOTAL REVENUE		**984 364 144**	**856 228 317**
EXPENSES			
Total Employee/Councillor Cost	16,17	285 323 385	265 283 858
General Expenditure		461 025 671	375 362 516
Repair and maintenance		79 607 142	69 910 885
Depreciation and amortisation expense		154 800 306	145 194 565
Miscellaneous		139 948 407	189 302 723
Finance costs		32 623 163	30 500 353
TOTAL EXPENSES		**1 153 328 074**	**1 075 554 900**
Gains on sale of property, plant and equipment		0	0
Total non-operating revenue (expenses)		**0**	**0**
Surplus/(deficit) for the period		**-168 963 930**	**-219 326 583**

EMALAHLENI LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010

	Pre-GAMAP Old Reserves and Funds R	Government Grant Reserve R	Donations and Public Contribution Reserve R	Accumulated Surplus/(Deficit) R	Total R
2007					
Balance at 1 July 2008		109 541 526	69 965 752	2 065 531 970	2 245 039 248
Surplus/(deficit) for the year		0	0	-219 326 583	-219 326 583
Capital grants used to purchase PPE		0	0	0	0
Donated /contributed PPE		0	0	0	0
Correction of estimate (Note 20)		-109 541 526	-69 965 752	179 507 278	0
Offsetting of depreciation				1 313 699	1 313 699
Balance at 30 June 2009		0	0	2 027 026 364	2 027 026 364
2009					
Correction of error		0	0	0	0
Capital grants used to purchase PPE		0	0	0	0
Donated /contributed PPE		0	0	0	0
Offsetting of depreciation		0	0	0	0
Balance at 1 July 2009		**0**	**0**	**2 027 026 364**	**2 027 026 364**
Surplus/(deficit) for the year		0	0	-168 963 930	-168 963 930
Capital grants used to purchase PPE		0	0	0	0
Donated /contributed PPE		0	0	0	0
Correction of estimate (Note 20)		0	0	-22 578 592	-22 578 592
Offsetting of depreciation		0	0	0	0
Balance at 30 June 2010		**0**	**0**	**1 835 483 842**	**1 835 483 842**

EMALAHLENI LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010	2009
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from ratepayers,government and other		1 172 188 165	975 893 441
Cash paid to suppliers and employees		-1 127 458 659	-937 226 447
Cash generated from/(utilised in) operations	**22**	44 729 506	38 666 994
Dividends received		0	0
Interest received		6 149 524	28 859 296
Interest paid		-32 623 163	-30 500 353
NET CASH FROM OPERATING ACTIVITIES		**18 255 867**	**37 025 937**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-129 139 093	-206 127 498
Proceeds on disposal of property, plant and equipment		0	0
Increase in investment properties		0	0
(Increase)/decrease in non-current receivables		9 324	1 970 714
Increase in non-current investments		-1 297 471	-540 172
NET CASH FROM INVESTING ACTIVITIES		**-130 427 240**	**-204 696 956**
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-28 211 218	91 137 767
Increase in consumer deposits		5 353 576	2 046 956
NET CASH FROM FINANCING ACTIVITIES		**-22 857 642**	**93 184 723**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-135 029 015	-74 486 296
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		165 490 080	239 976 376
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**23**	**30 461 065**	**165 490 080**

EMALAHLENI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

			2010	2009
			R	R
1	**BANK, CASH AND OVERDRAFT BALANCES**			
	The municipality has the following bank accounts:-			
	Current Account(Primary Bank Account)			
	ABSA Bank Limited-Saveways Crescent Branch			
	Account Number 1360-000-091			
	Cash book balance at beginning of year - favourable		71 138 578	8 730 943
	Cash book balance at end of year - favourable		16 811 315	71 138 578
	Cash equivalents		20 505	28 485
			16 831 820	**71 167 063**
	Bank statement balance at beginning of year - favourable		110 319 902	41 378 795
	Bank statement balance at end of year - favourable		35 111 583	110 319 902
2	**TRADE AND OTHER RECEIVABLES**			
		Gross Balances	**Provision for Bad debts**	**Net Balance**
		R	R	R
	As at 30 June 2010			
	Service debtors			
	Electricity	113,115,582	69 352 415	43 763 167
	Water	58,359,130	39 844 100	18 515 030
	Sewerage	60,701,548	38 180 818	22 520 730
	Refuse	124,134,733	79 912 721	44 222 012
	Other	40,921,279	83 861 966	-42 940 687
	Total	**397,232,272**	**311 152 020**	**86 080 252**
		Gross Balances	**Provision for Bad debts**	**Net Balance**
		R	R	R
	As at 30 June 2009			
	Service debtors			
	Electricity	74,316,999	44 357 448	29 959 551
	Water	67,677,325	63 635 689	4 041 636
	Sewerage	43,549,205	35 091 773	8 457 432
	Refuse	42,322,239	34 444 547	7 877 692
	Other	49,090,773	23 700 704	25 390 069
	Total	**276,956,541**	**201 230 161**	**75 726 380**

				2010	2009
				R	R
	Electricity, Water, Sewer: Ageing				
	Current			50 828 577	34 155 725
	30-60 days			19 485 437	11 680 926
	61-90 days			15 457 643	9 277 701
	91-120 days			12 875 919	7 843 694
	121-365 days			92 791 489	111 095 786
	+ 365 days			282 488 920	226 769 488
	Arrangements			35 290 656	
	Total			**509 218 641**	**400 823 320**
	The debtors for rates, electricity,water and sewer for the				
	2010 financial year are 90 days and older				
	Summary of debtors by customer classification				
					National/
				Industrial/	**Provincial**
	30 June 2010	**Consumers**	**Other**	**Commercial**	**Government**
		R	**R**	**R**	**R**
	Current (0 - 30 days)	28,075,928	2, 015,482	19 276 563	1 530 797
	31 - 60 Days	13,894,670	1,010,126	3 768 608	979 218
	61 - 90 Days	10,310,818	2,380,198	1 918 905	1 078 371
	91 - 120 Days	10,609,801	520,735	1 551 724	619 783
	121 - 365 Days	79,616,280	4,374,482	11 501 912	3 001 031
	+ 365 Days	233,279,344	12,424,863	25 253 459	4 934 887
	Arrangements	35,290,656	0	0	0
	Sub - total	**410,077,497**	**22,725,886**	63 271 171	12 144 087
	Less:Provision for bad debts	Not Available	N/A	N/A	N/A
	Total debtors by consumer	**410,077,497**	**22,725,886**	**63 271 171**	**12 144 087**
	classification				
					National/
				Industrial/	**Provincial**
	30 June 2009	**Consumers**	**Other**	**Commercial**	**Government**
		R	**R**	**R**	**R**
	Current (0 - 30 days)	27,524,495	701,019	13 502 315	1 068 499
	31 - 60 Days	10,224,584	734,239	2 897 464	711 569
	61 - 90 Days	9,012,986	333,335	1 761 043	455 192
	91 - 120 Days	8,113,868	264,285	1 361 061	172 003
	121 - 365 Days	81,214,219	2,656,028	8 522 145	1 891 952
	+ 365 Days	195,100,070	10,577,313	19 895 381	2 128 254
	Arrangements	0	0	0	0
	Sub - total	**331,190,222**	**15,266,219**	47 939 409	6 427 469
	Less:Provision for bad debts	Not Available	N/A	N/A	N/A
	Total debtors by consumer	**331,190,222**	**15,226,219**	**47 939 409**	**6 427 469**
	classification				
	Reconciliation of the bad debt provision				
	Balance at beginning of the year			310 922 310	211 479 598
	Contribution to provision			129 991 646	123 583 294
	Bad debts written off against provision			4 101 470	24 140 582
	Reversal of provision			55 597 077	
	balance at end of year			**381 215 409**	**310 922 310**

		2010	2009
		R	R
3	**OTHER RECEIVABLES:NON-EXHANCE TRANSACTIONS**		
	RECEIVEABLES		
	Furniture removal loans	31 005	29 429
	Bursary loans	48 109	26 668
	Housing/erven loans	18 706 683	11 155 740
		18 785 797	11 211 837
	Less:Current portion transferred to current receivables	18 781 920	11 198 636
	Furniture removal loans	27 128	16 228
	Bursary loans	48 109	26 668
	Housing/erven loans	18 706 683	11 155 740
	Total	**3 877**	**13 201**
	FURNITURE REMOVALS		
	With new appointments Council pays the removal costs of		
	the relevant employee.		
	This amount is placed on a debtors account in the name		
	of the employee and is written off over a two year period every		
	6 months.		
	BURSARY LOANS		
	This represent study schemes granted to employees.		
	Employees has to pass all his subjects, if not the amount is		
	due to Council,and is repayable over a period of 12 months.		
	HOUSING/ERVEN LOANS		
	When Council selling land to the public a 60 days period is		
	given for applying for a bond and registration thereof. By		
	failing the transaction is cancelled.		
	OTHER DEBTORS		
	ANGLO COAL; (Capital expenditure)	0	5 500 000
	CBIS:1000 Houses	4 291 180	6 932 856
	VAT	3 191 244	1 810 736
	Other	7 324 511	6 674 505
	Total Other Debtors	**14 806 935**	**20 918 097**
	SERVICE DEBTORS		
	Rates	111 995 354	86 918 603
	Provision for Bad debts	70 063 389	54 095 072
	Net Balance	**41 931 965**	**32 823 531**
	TOTAL OTHER RECEIVABLES:NON-EXHANCE TRANSACTIONS	**75 520 820**	**64 940 264**

		2010	2009
		R	R
	Rates: Ageing		
	Current	12 330 688	9 572 132
	31-60 days	3 718 246	2 886 930
	61-90 days	2 945 478	2 284 855
	91-120 days	2 665 489	2 067 523
	121-365 days	26 386 105	20 474 660
	+ 365 days	63 949 348	49 632 503
	Arrangements	0	0
	Total	**111 995 354**	**86 918 603**
4	**INVENTORY**		
	Consumable stores - at cost	11 771 757	8 514 447
	Face value documents - at cost	52 453	62 434
	Game - at auction market prices	417 391	418 545
	Purification stock waterworks - at cost	155 795	130 759
	Purified Water - at cost	11 581	10 142
	Unsold properties held for resale - at cost	4 235 594	4 235 594
	Total Inventory	**16 644 571**	**13 371 921**
5	**INVESTMENTS**		
	Listed		
	Shares:Sanlam - Old Mutual	1 548 819	1 223 174
	Other		
	Redemption fund	7 176 026	6 204 200
	Short term deposits	4 771 663	86 771 663
	Collateral Investments	132 737	123 980
	Total cash investments	**13 629 245**	**94 323 017**
	Included in this amount is an investment of R5,350,343.11 made		
	with "New Republic Bank", which was placed under curatorship		
	on 29/01/1999, with Mr Pieter Strydom being the curator, which		
	was withdrawn with effect from 24/11/1999		
	No investments have been written off during the year .		
6	**PROPERTY, PLANT AND EQUIPMENT (SEPARATE PAGE)**		
	During the 2003/2004 financial year, the municipality adopted		
	accrual accounting for the first time in terms of GAMAP 17.82		
	and accordingly recognize Property, Plant and Equipment at		
	fair value. The additional asset bought after 2003/2004, are		
	recognised at cost. Investment property may be included in		
	Property Plant & Equipment.		
7	**INVESTMENT PROPERTY**	3 022 220	3 022 220
	Accumulated depreciation	0	0
	Carrying value	3 022 220	3 022 220
8	**INTANGIBLE ASSETS**	1 478 861	1 005 734
	Accumulated depreciation	1 163 335	816 112
	Carrying value	315 526	189 622

		2010	2009
		R	R
9	**TRADE and OTHER PAYABLES:EXHANGE TRANSACTIONS**		
	CREDITORS		
	Trade creditors	53 048 627	58 339 271
	Payment received in advance	12 873 170	9 349 938
	VAT	39 516 185	29 870 473
	Staff leave	19 681 810	16 750 156
	Deposits:Other	248 933	238 456
	Retention	17 482 983	17 168 902
	Public contributions	148 175	81 026
	Other creditors	16 121 539	12 150 011
		159 121 422	**143 948 233**
	UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
	Conditional Grants from other spheres of Government	30 641 983	13 551 092
	MIG Grants	28 425 177	6 893 892
	DME Grants	194 153	824 036
	DWAF Grants	287 158	9
	F M Grants	0	855 965
	L G T Fund	27 392	27 393
	Other Government Grants	1 114 209	2 832 755
	Provincial Grants	593 894	2 117 042
	Total conditional Grants and Receipts	**30 641 983**	**13 551 092**
	See note 18 for reconciling of grants from other spheres		
	of government.		
	CONSUMER DEPOSITS		
	Electricity and water	**49 324 819**	**43 971 243**
	TOTAL TRADE and OTHER PAYABLES:EXHANGE TRANSACTI	**239 088 224**	**201 470 568**
	Guarantees held on Electricity and Water Deposits		**8 677 226**
10	**FINANCIAL LIABILITIES**		
	INCA	58 372 770	64 244 111
	ABSA	9 710 571	12 121 572
	Nedbank	82 884 980	93 328 240
	Development Bank S.A.	121 291 999	130 653 624
	Finance lease liabilities	2 280 085	2 404 074
	Subtotal (Refer annexure A)	274 540 405	302 751 621
	Less: Short term portion transferred to current liabilities	38 189 902	35 154 595
	ABSA	2 269 900	4 261 455
	Development Bank S.A	9 141 100	14 013 417
	Finance lease liabilities	1 997 742	539 563
	INCA	14 337 900	5 896 900
	Nedbank	10 443 260	10 443 260
	NON - CURRENT LIABILITY BORROWINGS	**236 350 503**	**267 597 026**
	Guarantees held on Electricity and Water Deposits		**8 677 226**

		2010	2009
		R	R
	FURTHER EXPLANATIONS OF LOANS		
	DBSA 2005/2006		
	A loan of R16,000,00 was raised from DBSA during 2005/2006.		
	An amount of R7,484,042 was taken up during 2005/2006 and		
	the remainder of R8,515,958 during 2006/2007		
	DEVELOPMENT BANK LOAN 2007/2008 R109,639,730		
	3 Years R 2,001,068 @ 9,91%		
	7 Years R 7,059,102 @ 9,48%	.	
	10 Years R13,100,000 @ 9,38%		
	10 Years R 2,582,560 @ 5,00%		
	15 Years R82,547,000 @ 9,28%		
	15 Years R 2,350,000 @ 5,00%		
	INCA		
	Loan of R8,300,000 with an interest rate of 17,5%. The		
	maturity date is 20 June 2011. Interest is payable on 30 June		
	and 31 December annually.		
	LOANS RAISED - INCA 2006/2007		
	3 Years R 525,216 @ 9,83%		
	5 Years R 4,079,000 @ 9,74%		
	7 Years R 8,876,437 @ 9,58%		
	15 Years R 2,519,347 @ 9,45%		
	15 Years R21,900,000 @ 11,20%		
	LOANS RAISED - INCA 2007/2008		
	3 Years R 873,981 @ 9,73%		
	5 Years R1,453,163 @ 9,65%		
	7 Years R5,572,856 @ 9,48%		
	10 Years R4,400,000 @ 9,45%		
	15 Years R2,700,000 @ 9,55%		
	LOANS RAISED - INCA 2008/2009		
	7 Years R8,592,048 @ 9,45%		
	10 Years R 605,100 @ 9,40%		
	15 Years R4,802,852 @ 9,35%		
	ABSA		
	R4,435,088 was borrowed with a fixed interest rate of 12,38%,		
	monthly repayable from 31 July 2004.		
	ABSA		
	R18,000,000 was borrowed as follows from 1 October 2004:		
	3 Years R1,024,000 @ 11.06% fixed interest rate(NACS)		
	5 Years R2,515,000 @ 11,54% fixed interest rate(NACS)		
	7 Years R4,561,000 @ 11,89% fixed interest rate(NACS)		
	10 Years R2,000,000 @12,12% fixed interest rate(NACS)		
	15 Years R7,900,000 @ 12,02% fixed interest rate(NACS)		

		2010	2009
		R	R
	LOANS RAISED - NEDBANK 2008/2009		
	3 Years R 2,234,400 @ 12.25%		
	5 Years R11,141,540 @ 9,65%		
	7 Years R18,949,612 @ 11,80%		
	15 Years R71,445,948 @ 11,39%		
	Interest-bearing borrowings		
	Finance lease	2 404 075	364 329
	Received during the year	0	2 579 309
	Less:Current portion	-123 990	-539 563
	Balance at end of year	**2 280 085**	**2 404 075**
11	**PROVISIONS**		
	CURRENT		
	Performance bonus		
	Balance at beginning of year	2 892 874	2 505 829
	Contribution to provision	520 007	387 045
	Expenditure incurred		0
	Balance at end of year	**3 412 881**	**2 892 874**
	This provision represent 4 years performance bonusses.		
	NON CURRENT		
	RETIREMENT BENEFIT OBLIGATIONS		
	Post-retirement benefit:Medical care contribution		
	Opening balance	101 078 400	61 100 000
	Current year provision	45 123 600	39 978 400
	Closing balance	**146 202 000**	**101 078 400**
	Provision for this financial year is 80% of the total obligation.		
12	**RESERVE LANDFILL SITE**	**6 000 000**	**6 000 000**
13	**PROPERTY RATES**		
	Actual		
	Residential	102 858 564	93 501 543
	Commercial	36 413 379	33 107 949
	State (National,Provincial)	2 747 622	2 497 053
	Municipal	1 093 140	989 469
	Other (Agriculture , Mining , etc)	4 608 915	4 187 457
	Sub Total Assesment Rates	**147 721 620**	**134 283 471**
	Total Assesment Rates	**147 721 620**	**134 283 471**

		2010	2009
		R	R
	Valuations	**June 2010**	**June 2009**
	Residential	17 981 660 543	7 380 459 996
	Commercial	5 386 737 000	1 751 413 116
	State	670 243 500	131 651 072
	Municipal	344 246 960	44 430 000
	Other (Agriculture , Mining , etc)	3 796 445 600	196 182 928
	Total Property Valuations	**28 179 333 603**	**9 504 137 112**
	eMalahleni, Ga-Nala and Thubelihle		
	The valuation are done every four years and the last		
	general valuation came into effect on 1 July 2009. The basic		
	rate is .54c in the Rand, whilst rebate of R270,00 p.a.(Based on		
	the first R50,000 of the valuation roll) is granted to all		
	owners with a "Residential 1,2,3"-zoned property where a		
	house has been erected. Furthermore, a rebate of up to 40%		
	is granted to all pensioners and needy elderly, who qualifies		
	for the rebate.		
	Ogies/Phola, Farms & Wilge Township		
	Rates are the same as for eMalahleni		
	Kendal Forest		
	Rate is .135c /Rand on land values only.		
	Rural Areas		
	Rate for Rural Areas is .135c/Rand on land values only.		
14	**SERVICE CHARGES**		
	Sale of electricity	367 433 478	275 335 803
	Sale of water	110 543 041	94 787 153
	Refuse removal	40 491 089	34 176 588
	Sewerage and sanitation charges	47 737 549	38 856 671
	Other service charges	2 994 009	2 070 128
	Total Service Charges	**569 199 166**	**445 226 343**
15	**GOVERNMENT GRANTS AND SUBSIDIES**		
	National Treasury (Fin. Man. Grant)	750 000	1 334 382
	Local Government Transitional Fund (LGTF)	0	69 613
	Intergovernmental Grants Equitable Shares	113 700 281	92 703 145
	Subsidy - Provincial Admin. - Health Department	1 935 000	3 870 000
	Grant - DWAF	5 000 000	5 410
	Grant - MIG	40 828 302	45 192 609
	Grant - DME	3 636 884	0
	Grant - MSIG	735 000	844 665
	Grant - Department of Culture, Sport and Recreation	248 648	416 385
	Grant - Department of Local Government & Housing	2 574 975	3 757 488
	Total Government Grants & Subsidies	**169 409 090**	**148 193 697**

		2010	2009
		R	R
	Equitable Share		
	In terms of the Constitution, the unconditional grant is inter alia		
	to subsidise the provision of basic services to indigent		
	community members. All registered indigents receive a monthly		
	subsidy of R164.19 (2009: R157.31), which is funded from this		
	grant.		
	Provincial Health Subsidies		
	The municipality renders health services on behalf of the		
	Provincial Government and is refunded approximately 31%		
	of total expenditure incurred. This grant has been used		
	exclusively to fund clinic services. The conditions of the grant		
	have been met.		
	MIG GRANT		
	Balance unspent at beginning of year	6 893 892	11 202 853
	Current year receipts	62 359 587	41 000 000
	Conditions met - transferred to revenue	40 828 302	45 192 609
	Corrections previous years		116 352
	Conditions still to be met	**28 425 177**	**6 893 892**
	This grant was used to construct roads, sewerage and water		
	infrastructure, as part of the upgrading of informal and formal		
	settlements. Included in the roads, sewerage, water and fencing		
	votes in Annexure B.		
	DME GRANT		
	Balance unspent at beginning of year	824 036	0
	Current year receipts	3 007 000	917 000
	Conditions met - transferred to revenue	3 636 884	0
	Amount paid to DME		0
	Corrections previous years		92 964
	Amount still to be paid (Shown as debtor)		0
	Conditions still to be met	**194 152**	**824 036**
	This grant was used to install services to new settlements.		
	Included in the vote in Annexure B.		
	DWAF GRANT		
	Balance unspent at beginning of year	8	5 418
	Current year receipts	5 287 149	0
	Conditions met - transferred to revenue	5 000 000	5 410
	Conditions still to be met	**287 157**	**8**
	This grant used to supply water to rural areas, as well as		
	sewer services to informal settlements. Included in the vote in		
	Annexure B.		

		2010	2009
		R	R
	FMG GRANT		
	Balance unspent at beginning of year	855 965	2 647 720
	Current year receipts	750 000	1 500 000
	Conditions met - transferred to revenue	750 000	1 334 382
	Correction		1 957 373
	Amount return to National Treasury	855 965	0
	Conditions still to be met	**0**	**855 965**
	This grant was used to fund expenditure to enhance		
	National Treasury Budget Reform program. (Included in the		
	vote in Annexure B as well as Statement of Financial		
	Performance)		
	LGTF Grant		
	Balance unspent at beginning of year	27 392	97 005
	Current year receipts		0
	Conditions met - transferred to revenue		69 613
	Conditions still to be met	**27 392**	**27 392**
	This grant was used to upgrade facilities in the newly formed		
	Council after the 5 December 2000 local elections. Include in		
	the vote in Annexure B as well as Statement of Financial		
	Perfomance.		
	PROVINCIAL GRANT		
	Balance unspent at beginning of year	10 285	10 285
	Current year receipts		
	Conditions met - transferred to revenue	0	0
	Conditions still to be met	**10 285**	**10 285**
	These grants were used to cover operational expenditure.		
	Included in the Statement of Financial Performance.		
	MSIG GRANT		
	Balance unspent at beginning of year	217 840	327 505
	Current year receipts		735 000
	Conditions met - transferred to revenue		844 665
	Conditions still to be met	**217 840**	**217 840**
	This grant was used to improve service delivery in municipalities		
	as part of the upgrading of informal and formal settlements		
	Included in the roads, sewerage, water and fencing votes		
	in Annexure B.		
	DEPARTMENT OF CULTURE, SPORT & RECREATION		
	Balance unspent at beginning of year	442 084	22 575
	Current year receipts	400 000	835 000
	Conditions met - transferred to revenue	248 648	415 491
	Correction	458	
	Conditions still to be met	**593 894**	**442 084**
	This grant was used to improve service delivery to Communities		
	regarding Libraries.		

		2010	2009
		R	R
	DPLG GRANT		
	Balance unspent at beginning of year	0	0
	Current year receipts		0
	Conditions met - transferred to revenue		174 894
	Amount still to be paid (Shown as debtor)		174 894
	Correction		
	Conditions still to be met	**0**	**0**
	This grant was used to improve service delivery in municipalities		
	as part of the upgrading of informal and formal settlements.		
	EXTENDED PUBLIC WORKS PROGRAMME INCENTIVE		
	Balance unspent at beginning of year	0	0
	Current year receipts	133 800	
	Conditions met - transferred to revenue		
	Conditions still to be met	**133 800**	**0**
16	**EMPLOYEE RELATED COSTS**		
	Employee related costs - Salaries and Wages	165 621 790	163 693 362
	Employee related costs - Contributions for UIF, pens, med aid	57 209 505	49 527 180
	Housing benefits and allowances	20 305 630	3 722 432
	Overtime payments	28 412 764	35 053 374
	Total Employee Related Costs	**271 549 689**	**251 996 348**
	Loans to employees are set out in note 10		
	Remuneration of the Municipal Manager		
	Annual Remuneration	663 349	591 291
	Performance Bonuses	0	0
	Car Allowance	317 596	317 596
	Contribution to UIF, Medical Aid and Pension Funds	35 706	32 456
	Total	**1 016 651**	**941 343**
	Remuneration of the Chief Financial Officer		
	Annual Remuneration	517 363	583 200
	Performance Bonuses	0	0
	Car Allowance	134 947	102 788
	Contribution to UIF, Medical Aid and Pension Funds	108 059	18 057
	Total	**760 369**	**704 045**
	Remuneration of the Acting Director Administration &		
	Resource Management		
	Annual Remuneration	525 504	315 173
	Performance Bonuses	0	0
	Car Allowance	158 715	140 445
	Contribution to UIF, Medical Aid and Pension Funds	109 057	109 235
	Total	**793 276**	**564 853**

		2010	2009
		R	R
	Remuneration of the Director Infrastructure &		
	Basic Services		
	Annual Remuneration	517 363	413 273
	Performance Bonuses	0	0
	Car Allowance	134 947	104 668
	Contribution to UIF, Medical Aid and Pension Funds	108 059	104 734
	Total	**760 369**	**622 675**
	Remuneration of the Director Development Planning		
	Annual Remuneration	517 363	502 673
	Performance Bonuses	0	0
	Car Allowance	134 947	103 810
	Contribution to UIF, Medical Aid and Pension Funds	108 059	97 562
		.	
	Total	**760 369**	**704 045**
	Remuneration of the Director Public Safety		
	Annual Remuneration	517 363	621 377
	Performance Bonuses	0	0
	Car Allowance	134 947	52 601
	Contribution to UIF, Medical Aid and Pension Funds	108 059	14 810
	Total	**760 369**	**688 788**
17	**COUNCILLORS' REMUNERATION**		
	Mayoral allowance	432 206	403 932
	Speaker's allowance	345 765	323 145
	Councillors' allowance	5 914 988	5 666 766
	Mayoral committee allowance	1 611 364	1 538 060
	Pension fund contributions for Councillors	1 153 486	1 144 840
	Telephone allowance	736 852	695 640
	Housing allowances		101 135
	Medical Aid allowances	198 725	217 984
	Travelling allowances	3 380 311	3 196 008
	Total Councillors' Remuneration	**13 773 697**	**13 287 510**
	In-kind Benefits		
	The Executive Mayor,Speaker and committee Members are		
	full-time.Each is provided with an office and secretarial		
	support at the cost of the Council.The Executive Mayor		
	has use of a Council owned vehicle for official duties.		
18	**INTEREST PAID**		
	Long-term liabilities	32 623 163	30 500 353
	Consumer deposits	0	0
	Bank overdrafts	0	0
	Total Interest on External Borrowings	**32 623 163**	**30 500 353**

		2010	2009
		R	R
19	**BULK PURCHASES**		
	Electricity	325 768 513	240 767 570
	Water	26 848 704	21 123 356
	Total Bulk Purchases	**352 617 217**	**261 890 926**
20	**CORRECTION OF ESTIMATE**		
	Conditional Grants to National Treasury	2 900 438	0
	Correction of 30 June 2008 government grant		-109 541 526
	Correction of 30 June 2008 donations		-69 965 752
	Correction of 30 June 2008 creditor provisions		3 232 934
	Other correction of 30 June 2008	2 297 404	-4 546 633
	Billing and other income related corrections	17 380 750	0
	Total Correction	**22 578 592**	**-180 820 977**
21	**CHANGE IN ACCOUNTING POLICY**		
	The municipality changed its accounting policy in accordance		
	with Notices 991 or 992 in Government Gazette 28095		
	December 2005 and Notice 516 in Government Gazette 31021		
	May 2008		
22	**CASH GENERATED BY OPERATIONS**		
	Surplus/(deficit) for the year	-168 963 930	-216 469 552
	Adjustment for:-	0	0
	Depreciation	154 800 306	142 613 087
	Contribution to provisions - non - current	1 263 890	-1 470 745
	Contribution to provisions - current	520 007	387 045
	Transfers/Appropriations	22 578 592	176 274 344
	Interest paid	32 623 163	30 500 353
	Investment income	-6 149 524	-28 859 296
	Operating surplus before working capital changes	**36 672 504**	**102 975 236**
	(Increase)/Decrease in inventories	-3 272 650	-4 223 145
	(Increase)/decrease in debtors	-10 353 872	-86 918 603
	(Increase)/decrease in other debtors	-10 580 556	-1 002 181
	(Decrease)/increase in conditional grants and receipts	17 090 891	-6 044 941
	Increase in creditors	15 173 189	33 880 628
	Increase in VAT	0	0
	Cash generated by/(utilised in) operations	**44 729 506**	**38 666 994**
23	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow		
	statement comprise the following statement of amounts		
	indicating financial position:		
	Bank balances and cash	16 831 820	71 167 063
	Bank overdrafts		0
	Call investment deposits	13 629 245	94 323 017
	Total cash and cash equivalents	**30 461 065**	**165 490 080**

		2010	2009
		R	R
24	**UTILISATION OF LONG-TERM LIABILITIES**		
	RECONCILIATION		
	Financial liabilities (see Note 10)		
	Used to finance property, plant and equipment - at cost	274 540 405	302 751 621
	Sub - total	**274 540 405**	**302 751 621**
	Cash set aside for the repayment of long-term liabilities	0	0
	Redemption Fund (note 5)	7 176 026	6 204 200
	Cash invested for repayment of long-term liabilities(note 5)	**267 364 379**	**296 547 421**
25	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL**		
	FINANCE MANAGEMENT ACT, NO 56 OF 2003.		
	SECTION 125(1)(B)		
	Contribution to SALGA		
	Opening balance	83 305	21 442
	Council Membership fees payable	1 443 595	972 789
	Amount paid current year	-1 235 614	-972 789
	Amount paid previous year		0
	Correction on account		61 863
	Balance unpaid (included in creditors)	**291 286**	**83 305**
	SECTION 125(1)(c)		
	Audit Fees		
	Opening balance	91 283	69 921
	Audit fees payable current year	2 636 229	650 908
	Amount paid current year	-2 600 990	-629 546
	Amount paid previous year		0
	Correction on opening balance		
	Balance unpaid (include in creditors)	**126 522**	**91 283**
	V A T		
	Output Tax		
	Opening balance	4 126 961	4 176 818
	Closing balance	6 215 052	401 824
	Input Tax		
	Opening balance		
	Amount received from SARS	14 700 702	22 360 388
	Amount payable to SARS	4 235 540	4 455 258
	Amount paid current year	4 235 540	4 455 258
	Amount refundable		
	Balance outstanding (to) / from S A R S	**0**	**0**
	VAT is payable on the payment basis. Only once payment is		
	received from debtors is VAT paid over to SARS. All VAT		
	returns have been submitted by the due date throughout		
	the year.		

				2010	2009
				R	R
	Pay as You Earn (P A Y E)				
	Opening balance			0	0
	Current payroll deductions			32 479 230	31 637 047
	Amount paid current year			-32 479 230	-31 637 047
	Balance unpaid			**0**	**0**
	Unemployment Insurance Fund (UIF)				
	Opening balance			0	0
	Current payroll deductions			1 522 150	1 487 553
	Amount paid current year			-1 522 150	-1 487 553
	Balance unpaid			**0**	**0**
	Medical Aid				
	Opening balance			0	0
	Current payroll deductions			23 426 786	20 024 635
	Amount paid current year			-23 426 786	-20 024 635
	Balance unpaid			**0**	**0**
	Pension Fund				
	Opening balance			0	0
	Current payroll deductions			35 134 929	30 865 371
	Amount paid current year			-35 134 929	-30 865 371
	Balance unpaid			**0**	**0**
	SECTION 125(2)				
	Comply with MFMA Act no 56 of 2003				
	SECTION 64(3)				
	Government institutions				
				Outstanding	**Outstanding**
		Arear	**Current**	**30 June 2010**	**30 June 2009**
	Government Institutions - other	R 941,080	R 33,257	974 337	583 397
	Department of Public Works (other)	R 5,290,145	R2,121,074	7 420 219	871 748
	Department of Education & Schools	R3,124,763	R602,749	3 727 512	1 990 493
	Department of Public Works (roads)	R 17,874	R 4,145	22 019	8 468
	Total	**R9,382,862**	**R2,761,325**	**12 144 087**	**3 454 106**
	In terms of the section, National Treasury was informed of the				
	arrear accounts of schools for periods of more than 30 days.				

		2010	2009
		R	R
	Councillors' arrear consumer accounts		
			On Arrange-ments
		Outstanding less than 90 Days	Outstanding more than 90 Days
	30 June 2010	R	R
	Total Councillor Arrear Consumer Accounts	**0**	**0**
	Two Councillors were in arrears for the 2009/2010 finanacial year	**1 843**	**12 074**
26	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure		
	- Approved and contracted for	80 577 796	108 787 596
	Infrastructure	67 952 301	94 177 874
	Community	12 518 431	11 411 778
	Other	107 064	3 197 944
	- Approved but not yet contracted for	0	0
	Infrastructure	0	0
	Community	0	0
	Other	0	0
	Total	**80 577 796**	**108 787 596**
	This expenditure will be financed from:		
	- External Loans	39 773 899	65 884 236
	- Government Grants	40 803 897	34 996 122
	- Own resources		7 076 107
	- District Council Grants		831 130
		80 577 796	**108 787 595**
27	**RETIREMENT BENEFIT INFORMATION**		
	All Councillors and employees belongs to 7 different benefit		
	retirement funds, which are as follows:		
	1. National Fund for Municipal Workers - NFMW		
	2. Municipal Gratuity Fund / Corus Capital		
	3. SAMWU National Provident Fund		
	4. SALA Pension Fund		
	5. Municipal Employees Pension Fund - MEPF		
	Pension for Municipal Councillors		
	6. Joint Municipal Pension Fund / Lekana		
	7. GEPF		
	Council contribution to these funds amounts to R34,606,105 for		
	the 2009/2010 financial year and R 29,234,077 for the		
	2008/2009 financial year.		
28	**EVENTS AFTER REPORTING DATE**		
	No events occur after reporting date.		

		2010	2009
		R	R
29	**COMPARISON WITH THE BUDGET**		
	The comparison of the municipality's actual performance with		
	That budgeted is set out in Annexures E(1) and E(2)		
30	**CONTINGENT LIABILITY**		
	Legal claims against Municipality		
	EXLNCE Holdings v Emalahleni Local Municipality.		
	Claims:R233,273,137.11 alternatively R3,229,198.18		
	+ interest at 15.5% p.a. a *tempore morae*		
	+ cost of suit.		
31	**EXTENSIONS - GOVERNMENT NOTICE 522 OF 2007**		
	The 2006/2007 Financial Statements comply with Government		
	Notice 522, issued in Government Gazette No. 30013 of		
	29 June 2007.		
	Council fully complied with all accounting standards since		
	1 July 2009.		

APPENDIX A

EXTERNAL LOANS AS AT 30 JUNE 2010

LONG TERM LOANS ISSUED	PERCENTAGE	LOAN NO	REDEEMABLE	BALANCE AT 30/06/2009	RECEIVED DURING THE YEAR	REDEEMED OR WRITTEN OFF DURING YEAR	BALANCE AT 30/06/2010
				R	R	R	R
	17.50%	**INCA**	30/06/2011	R 8 300 000	R -	R -	R 8 300 000
SUBTOTAL				**R 8 300 000**	**R -**	**R -**	**R 8 300 000**
ANNUITY LOANS							
10/05/2004	11.54%	**ABSA**	10/05/2009	R 319 182	R -	R 319 182	R -
10/05/2004	11.89%	**ABSA**	10/05/2011	R 2 060 702	R -	R 753 695	R 1 307 007
30/06/2004	12.38%	**ABSA**	30/06/2011	R 1 621 608	R -	R 800 740	R 820 868
10/05/2004	12.12%	**ABSA**	10/05/2014	R 1 375 725	R -	R 188 887	R 1 186 838
10/05/2004	12.02%	**ABSA**	10/05/2019	R 6 744 354	R -	R 348 496	R 6 395 858
30/06/2005	11.53%	**DBSA**	31/12/2009	R 966 606	R -	R 966 606	R -
30/06/2008	9.91%	**DBSA**	30/06/2011	R 1 397 424	R -	R 664 947	R 732 477
30/06/2006	9.04%	**DBSA**	30/06/2012	R 5 661 392	R -	R 1 723 359	R 3 938 033
30/06/2008	9.48%	**DBSA**	30/06/2015	R 6 307 984	R -	R 824 011	R 5 483 973
30/06/2006	9.38%	**DBSA**	30/06/2017	R 536 106	R -	R 47 594	R 488 512
30/06/2008	9.38%	**DBSA**	30/06/2018	R 12 261 519	R -	R 918 975	R 11 342 544
30/06/2008	5.00%	**DBSA**	30/06/2018	R 2 377 774	R -	R 215 153	R 2 162 621
30/06/2005	12.05%	**DBSA**	31/12/2019	R 12 820 750	R -	R 659 590	R 12 161 160
30/06/2006	9.34%	**DBSA**	30/06/2022	R 6 243 345	R -	R 262 507	R 5 980 838
30/06/2008	9.28%	**DBSA**	30/06/2023	R 79 839 169	R -	R 2 964 948	R 76 874 221
30/06/2008	5.00%	**DBSA**	30/06/2023	R 2 241 555	R -	R 113 936	R 2 127 619

				BALANCE AT 30/06/2009	RECEIVED DURING THE YEAR	REDEEMED OR WRITTEN OFF DURING YEAR	BALANCE AT 30/06/2010
31/03/2007	9.83%	**INCA**	30/06/2010	R 97 842	R -	R 97 842	R -
30/06/2008	9.73%	**INCA**	30/06/2010	R 312 378	R -	R 312 378	R -
31/03/2007	9.74%	**INCA**	30/06/2012	R 2 268 630	R -	R 841 659	R 1 426 971
30/06/2008	9.65%	**INCA**	30/06/2012	R 931 309	R -	R 280 687	R 650 622
31/03/2007	9.58%	**INCA**	30/06/2014	R 6 315 475	R -	R 1 176 573	R 5 138 902
30/06/2008	9.48%	**INCA**	30/06/2014	R 4 235 887	R -	R 691 980	R 3 543 907
30/06/2008	9.45%	**INCA**	30/06/2017	R 3 966 522	R -	R 322 117	R 3 644 405
31/03/2007	9.45%	**INCA**	30/06/2022	R 2 284 161	R -	R 101 222	R 2 182 939
01/03/2007	11.20%	**INCA**	30/06/2022	R 19 985 813	R -	R 738 188	R 19 247 625
30/06/2008	9.35%	**INCA**	30/06/2022	R 2 563 203	R -	R 100 932	R 2 462 271
1/07/2008	9.45%	**INCA**	30/06/2015	R 7 675 009	R -	R 1 003 417	R 6 671 592
1/01/2009	9.40%	**INCA**	31/12/2018	R 585 683	R -	R 40 480	R 545 203
1/01/2009	9.35%	**INCA**	31/12/2024	R 4 722 199	R -	R 163 867	R 4 558 332
30/09/2008	12.25%	**NEDBANK**	30/06/2011	R 1 489 600	R -	R 744 800	R 744 800
30/09/2008	11.95%	**NEDBANK**	30/06/2013	R 8 913 232	R -	R 2 228 308	R 6 684 924
30/09/2009	11.80%	**NEDBANK**	30/06/2015	R 16 242 524	R -	R 2 707 088	R 13 535 436
30/09/2010	11.39%	**NEDBANK**	30/06/2023	R 66 682 884	R -	R 4 763 064	R 61 919 820
SUBTOTAL				**R 292 047 546**	**R -**	**R 28 087 228**	**R 263 960 318**
LEASE LIABILITY							
Financial Leases				R 2 404 075	R -	R 123 990	R 2 280 085
SUBTOTAL				**R 2 404 075**	**R -**	**R 123 990**	**R 2 280 085**
TOTAL (Refer Note 4)				**R 302 751 621**	**R -**	**R 28 211 218**	**R 274 540 403**

APPENDIX B

EMALAHLENI LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	COST						DEPRECIATION						
	OPENING BALANCE	TRANSFER	ADDITIONS	DISPOSALS	DISP/ WRITE OFF	CLOSING BALANCE	OPENING BALANCE	TRANSFER	DEPR THIS YEAR	CORR DEPR	DISP / WRITE OFF	CLOSING BALANCE	CARRYING VALUE
LAND AND BUILDINGS	**164 654 844**	**-**	**12 319 497**	**0.00**	**0**	**176 974 341**	**13 645**	**0**	**0**		**0**	**13 645**	**176 960 696**
LAND	158 321 327	0	12 319 497	0.00		170 640 824	13 645		0		0	13 645	170 627 179
SHOPPING CENTRES	2 757 118	0	0	0.00		2 757 118	0		0		0	0	2 757 118
HOUSING SELLING SCHEMES	554 179	0	0	0.00		554 179	0		0		0	0	554 179
INVESTMENT PROPERTY	3 022 220	0	0	0.00	0	3 022 220	0		0		0	0	3 022 220
INFRASTRUCTURE	**2 014 791 575**	**0**	**290 417 493**	**0.00**		**2 305 209 068**	**692 972 634**	**0**	**113 462 916**	**0**	**0**	**806 435 550**	**1 498 773 518**
ELECTRICITY MAINS	238 644 480	0	35 900 883	0.00		274 545 363	69 518 300	0	11 898 743	0	0	81 417 043	193 128 320
ROADS	733 954 118	0	95 003 346	0.00		828 957 464	287 312 450	0	45 899 252	0	0	333 211 702	495 745 762
WATER MAINS	461 336 065	0	88 532 648	0.00		549 868 713	138 520 800	0	25 660 069	0	0	164 180 869	385 687 844
SEWER MAIN & PURIFICATION	580 856 912	0	70 980 616	0.00		651 837 528	197 621 084	0	30 004 852	0	0	227 625 936	424 211 592
												0	
COMMUNITY ASSETS	**309 278 919**	**-**	**15 310 682**	**-**		**324 589 601**	**58 351 895**	**0**	**25 442 046**	**0**	**0**	**83 793 941**	**240 795 660**
BUILDINGS	274 330 375	0	9 168 736	0.00		283 499 111	47 249 032	0	19 726 664	0	0	66 975 696	216 523 415
AIRPORT	213 250		0	0.00		213 250	62 961		10 579		0	73 540	139 710
LIBRARIES	3 419 715		0	0.00		3 419 715	581 865		79 293		0	661 158	2 758 557
CARAVAN PARKS	8 300		0	0.00		8 300	277		0		0	277	8 023
SECURITY MEASURES	7 242 254		2 254 597	0.00		9 496 851	5 483 986		5 625 510		0	11 109 496	-1 612 645
RECREATIONAL FACILITIES	24 065 025		3 887 349	0.00		27 952 374	4 973 774		0	0	0	4 973 774	22 978 600
												0	
HERITAGE ASSETS	**400 000**	**0**	**0**	**0.00**		**400 000**	**0**		**0**		**0**	0	**400 000**
SCULPTURES	400 000	0	0	0.00		400 000	0		0		0	0	400 000

	COST						DEPRECIATION						
	OPENING BALANCE	TRANSFER	ADDITIONS	DISPOSALS	DISP/ WRITE OFF	CLOSING BALANCE	OPENING BALANCE	TRANSFER	DEPR THIS YEAR	CORR DEPR	DISP / WRITE OFF	CLOSING BALANCE	CARRYING VALUE
OTHER ASSETS	**541 424 799**	**0**	**10 618 619**	**0.00**		**552 043 418**	**158 165 229**	**0**	**14 128 326**	**0**	**0**	**172 293 555**	**379 749 863**
BUILDINGS	409 324 036	0	2 437 178	0.00		411 761 214	80 052 095		1 911 863	0	0	81 963 958	329 797 256
OFFICE EQUIPMENT	18 653 463	0	5 987 871	0.00		24 641 334	12 854 029		2 127 425	0	0	14 981 454	9 659 880
FURNITURE AND FITTINGS	7 932 470	0	629 733	0.00		8 562 203	7 630 226		1 739 535	0	0	9 369 761	-807 558
EMERGENCY EQUIPMENT	326 573	0	0	0.00		326 573	184 474		0	0	0	184 474	142 099
MOTOR VEHICLES	73 888 306	0	566 426	0.00		74 454 732	42 691 116		8 280 088	0	0	50 971 204	23 483 528
WEAPONS	347 311	0	0	0.00		347 311	139 114		69 415	0	0	208 529	138 782
PLANT AND EQUIPMENT	30 952 640	0	997 411	0.00		31 950 051	14 614 175	0	0	0	0	14 614 175	17 335 876
SUB TOTAL	**3 030 550 137**	**0**	**328 666 291**	**0.00**	**0**	**3 359 216 428**	**909 503 403**	**0**	**153 033 288**	**0**	**0**	**1 062 536 691**	**2 296 679 737**
LEASES	3 754 194		0	0.00		**3 754 194**	2 650 148		1 767 017		0	4 417 165	**-662 971**
PROJECTS (WIP)			-160 595 231			**-160 595 231**							**-160 595 231**
TOTAL	**3 034 304 331**	**0**	**168 071 060**	**0.00**	**0**	**3 202 375 391**	**912 153 551**	**0**	**154 800 305**	**0**	**0**	**1 066 953 856**	**2 135 421 535**

APPENDIX C
EMALAHLENI LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Cost					Accumulated Depreciation				
	Opening Balance	Additions	Under Construction	Disposals/Wriitten Off	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
Executive & Council	6 950 654	0	0	0	6 950 654	3 943 888	0	0	3 943 888	3 006 766
Finance	427 168 444	0	0	0	427 168 444	161 494 609	0	0	161 494 609	265 673 835
Administration & Resourse Man.	386 904 581	724 531	107 064	0	387 736 176	104 030 419	0	0	104 030 419	283 705 757
Planning & Development	765 277 301	0	2 177 095	0	767 454 396	254 503 502	0	0	254 503 502	512 950 894
Health	4 577 809	0	0	0	4 577 809	2 397 396	0	0	2 397 396	2 180 413
Community & Social Services	197 914 677	1 546 530	160 096	0	199 621 303	41 694 982	0	0	41 694 982	157 926 321
Housing	37 253 819	0	0	0	37 253 819	11 298 436	0	0	11 298 436	25 955 383
Public Safety	28 837 427	164 115	4 623 356	0	33 624 898	7 297 156	0	0	7 297 156	26 327 742
Sport & Recreation	120 068 660	464 561	5 557 883	0	126 091 104	18 541 116	0	0	18 541 116	107 549 988
Environmental Protection	541 984	0	0	0	541 984	755 429	0	0	755 429	-213 445
Waste Management	11 437 731	437 675	38 855	0	11 914 261	2 915 826	0	0	2 915 826	8 998 435
Waste Water	97 587 987	20 162 291	30 987 629	0	148 737 907	7 236 516	0	0	7 236 516	141 501 391
Roads & Stormwater	249 769 162	6 445 372	21 057 552	0	277 272 086	55 954 062	0	0	55 954 062	221 318 024
Water	598 929 414	16 136 305	3 871 873	0	618 937 592	159 350 015	0	0	159 350 015	459 587 577
Electricity	292 112 600	1 940 029	11 996 392	0	306 049 021	74 332 476	0	0	74 332 476	231 716 545
Other	16 087 962	539 889	0	0	16 627 851	3 826 245	0	0	3 826 245	12 801 606
TOTAL	**3 241 420 212**	**48 561 298**	**80 577 795**	**0**	**3 370 559 305**	**909 572 073**	**0**	**0**	**909 572 073**	**2 460 987 232**

APPENDIX D

EMALAHLENI LOCAL MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2010

2009 Income R	2009 Expenditure R	2009 Surplus/(Deficit) R		2010 Income R	2010 Expenditure R	2010 Surplus/(Deficit) R
499 663	168 622 755	-168 123 092	Executive & Council	377 098	97 526 670	-97 149 572
292 017 547	92 643 861	199 373 686	Finance	299 244 359	103 515 640	195 728 719
2 414 341	64 426 523	-62 012 182	Administration	1 065 317	67 616 825	-66 551 508
3 931 834	44 909 878	-40 978 044	Planning & Development	16 116 281	44 817 992	-28 701 711
3 870 351	10 556 804	-6 686 453	Health	1 935 000	11 889 057	-9 954 057
1 860 335	21 573 083	-19 712 748	Community & Social Services	1 537 367	22 112 113	-20 574 746
2 874 025	9 787 038	-6 913 013	Housing	3 188 410	9 474 536	-6 286 126
15 261 479	52 099 263	-36 837 784	Public Safety	17 270 016	56 425 223	-39 155 207
211 618	19 470 806	-19 259 188	Sport & Recreation	5 616 435	20 109 758	-14 493 323
13 008	2 880 678	-2 867 670	Environmental Protection	13 027	3 173 441	-3 160 414
35 826 262	46 630 219	-10 803 957	Waste Management	40 700 947	49 150 967	-8 450 020
67 860 497	33 779 308	34 081 189	Waste Water Management	86 252 128	40 215 358	46 036 770
19 076 399	30 605 760	-11 529 361	Roads & Stormwater	4 986 503	34 199 273	-29 212 770
108 443 421	114 486 118	-6 042 697	Water	125 653 972	135 541 520	-9 887 548
296 823 722	351 791 988	-54 968 266	Electricity	375 182 183	445 895 306	-70 713 123
5 243 812	11 290 815	-6 047 003	Other	5 225 100	11 664 394	-6 439 294
856 228 314	1 075 554 897	-219 326 583	Sub Total	984 364 143	1 153 328 073	-168 963 930
0	0	0	Less: Inter-Department Charges	0	0	0
856 228 314	**1 075 554 897**	**-219 326 583**	**Total**	**984 364 143**	**1 153 328 073**	**-168 963 930**

APPENDIX E (1) BUDGET AMOUNT UNAUDITED

EMALAHLENI LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2010

	2010 ACTUAL (R)	2010 BUDGET (R)	2010 VARIANCE (R)	2010 VARIANCE (%)	EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 10% VERSUS BUDGET
REVENUE					
Property rates	147 721 620	157 447 643	-9 726 023	-6.18	
Service charges	569 199 166	585 172 847	-15 973 681	-2.73	
Rental of facilities and equipment	7 395 088	4 809 463	2 585 625	53.76	Converted units underbudgeted
Interest earned - external investments	6 149 524	19 000 000	-12 850 476	-67.63	Interest on investments over budgeted
Interest earned - outstanding debtors	23 033 459	20 218 376	2 815 083	13.92	Interest on debtors under budgeted
Fines	1 752 317	2 462 875	-710 558	-28.85	Traffic fines not realised
Licences and permits	1 968 926	2 380 756	-411 830	-17.30	Drivers license fees not realised
Income for agency services	13 433 021	11 044 222	2 388 799	21.63	Increase in Provincial License Fees
Government grants and subsidies	169 409 089	183 601 852	-14 192 763	-7.73	
Other income	21 600 887	44 582 317	-22 981 430	-51.55	Service Contributions on Klarinet Development and sale of stands did not realise
Public contributions,donated/contributed PPE	22 701 046	29 000 000	-6 298 954	-21.72	All Donations & Public contr on Capital proj. not realised
Gains on disposal of property, plant & equipment	0	0	0	0.00	
Total Revenue	**984 364 143**	**1 059 720 351**	**-75 356 208**	-7.11	Above reasons applicable
EXPENDITURE					
Executive & Council	97 526 670	47 625 426	49 901 244	104.78	Due to contribution for bad debt and post retirement benefits, which are not cash flow
Finance	103 515 640	114 838 512	-11 322 872	-9.86	
Administration	67 616 825	64 212 968	3 403 857	5.30	Due to Depreciation which are not cash flow
Planning & Development	44 817 992	31 394 476	13 423 516	42.76	Due to Depreciation which are not cash flow
Health	11 889 057	11 607 456	281 601	2.43	Due to savings on General expenditure
Community & Social Services	22 112 113	20 164 202	1 947 911	9.66	Depreciation on PPE under budgeted
Housing	9 474 536	9 736 920	-262 384	-2.69	Due to Depreciation which are not cash flow
Public Safety	56 425 223	54 729 296	1 695 927	3.10	
Sport & Recreation	20 109 758	18 683 775	1 425 983	7.63	Due to Depreciation which are not cash flow
Environmental Protection	3 173 441	2 971 210	202 231	6.81	
Waste Management	49 150 967	49 340 316	-189 349	-0.38	Due to Depreciation which are not cash flow

	2010 ACTUAL (R)	2010 BUDGET (R)	2010 VARIANCE (R)	2010 VARIANCE (%)	EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 10% VERSUS BUDGET
Waste Water Management	40 215 358	37 827 599	2 387 759	6.31	Due to Depreciation not realised, which are not cash flow
Roads & Stormwater	34 199 273	30 442 286	3 756 987	12.34	Due to Depreciation, which are not cash flow and capital projects from income which was decreased
Water	135 541 520	125 620 724	9 920 796	7.90	Due to Depreciation which are not cash flow
Electricity	445 895 306	443 934 660	1 960 646	0.44	Due to Depreciation which are not cash flow
Other	11 664 394	11 589 405	74 989	0.65	
Total Expenditure	**1 153 328 073**	**1 074 719 231**	**78 608 842**	7.31	
NET SURPLUS/(DEFICIT) FOR THE YEAR	**-168 963 930**	**-14 998 880**	**-153 965 050**		

APPENDIX E (2) BUDGET AMOUNT UNAUDITED
EMALAHLENI LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010

	2010 Actual	2010 Under Construction	2010 Total Additions	2010 Budget	2010 Variance	2010 Variance	EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 5% VERSUS BUDGET
	R	R	R	R	R	%	
Executive & Council	0	0	0	0	0	0.00	
Finance			0	40 000	-40 000	-100.00	Transferred to 2010/2011 financial year
Administration	724 531	107 064	831 595	2 280 297	-1 448 702	-63.53	Transferred to 2010/2011 financial year
Planning & Development		2 177 095	2 177 095	5 946 137	-3 769 042	-63.39	Transferred to 2010/2011 financial year
Health			0	19 739	-19 739	-100.00	Transferred to 2010/2011 financial year
Community & social Services	1 546 530	160 096	1 706 626	6 534 806	-4 828 180	-73.88	Transferred to 2010/2011 financial year
Housing			0	400 000	-400 000	0.00	
Public Safety	164 115	4 623 356	4 787 471	8 284 449	-3 496 978	-42.21	Transferred to 2010/2011 financial year
Sport & Recreation	464 561	5 557 883	6 022 444	18 331 886	-12 309 442	-67.15	Transferred to 2010/2011 financial year
Environmental Protection			0	192 406	-192 406	0.00	
Waste Management	437 675	38 855	476 530	1 865 650	-1 389 120	-74.46	Transferred to 2010/2011 financial year
Waste Water Management	20 162 291	30 987 629	51 149 920	72 000 866	-20 850 946	-28.96	Transferred to 2010/2011 financial year
Roads & Stormwater	6 445 372	21 057 552	27 502 924	40 839 560	-13 336 636	-32.66	Transferred to 2010/2011 financial year
Water	16 136 305	3 871 873	20 008 178	39 539 232	-19 531 054	-49.40	Transferred to 2010/2011 financial year
Electricity	1 940 029	11 996 392	13 936 421	19 077 439	-5 141 018	-26.95	Transferred to 2010/2011 financial year
Other	539 889		539 889	569 142	-29 253	-5.14	Transferred to 2010/2011 financial year
TOTAL	**48 561 298**	**80 577 795**	**129 139 093**	**215 921 609**	**-86 782 516**		

APPENDIX F
EMALAHLENI LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state	Received				Expenditure					Reason for delay / witholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
												Yes/No	
		Sep-09	Dec-09	Mar-10	Jun-10	Sep-09	Dec-09	Mar-10	Jun-10				
FMG	National Treasury	750 000				42 962	41 395	343 873	321 770	750 000	N/A	Yes	
Health Subsidy	Prov Government		1 935 000			483 750	483 750	483 750	483 750	1 935 000	N/A	Yes	
Equitable Share	National Treasury	47 374 863	34 006 050	31 919 368		47 374 863	34 006 050	31 919 368		113 300 281	N/A	Yes	
MSIG	CGTA	735 000				735 000				735 000	N/A	Yes	
MIG	National Treasury	16 000 000	12 500 000	33 859 587		4 364 823	3 815 111	11 999 633	20 648 735	40 828 302	N/A	Yes	
DME	DME	2 566 000	441 000			242 681	3 394 203			3 636 884	N/A	Yes	
Housing Accreditation	CGTA			800000		711100	604612	696578	562684	2574974	N/A	Yes	
Works Program Incentive	National Treasury			133 800		0				0	2010/2011	N/A	
DWAF	DWAF			5 287 149		0			5 000 000	5 000 000	N/A	Yes	
Library	Dept of Culture, Sport & Recreation	400 000				0		95 507	153 141	248 648	N/A	Yes	

APPENDIX G
EMALAHLENI LOCAL MUNICIPALITY
STATISTICAL INFORMATION AS AT 30 JUNE 2010

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
a) Algemene statistiek / General statistics							
i) Population	± 435,217	± 435,217	± 435,217	± 435,217	± 425,000	± 425,000	± 425,000
ii) Surface area in hectares	267 000	267 000	267 000	267 000	267 000	267 000	267 000
iii) Valuation of "taxable" and "non-taxable" property (inclusive of the valuation date)	28 179 333 603 (01/07/2008)	9 504 139 117 (01/01/2003)	9 352 739 880 (01/01/2003)	9 101 320 213 (01/01/2003)	8 286 224 220 (01/01/2003)	7 245 813 213	6 883 845 484
iv) Valuation of commercial & residential property	23 368 397 543	9 131 873 112	8 980 241 880	8 741 330 510	7 873 153 506	6 839 420 567	4 874 864 681
v) Valuation of industr, agricult and other prop	4 810 936 060	2 434 220 010	2 405 831 200	2 378 950 310	2 350 541 310	1 225 561 219	1 180 058 003
vi) Number residential and comm. prop (erven)	78 100	77 000	73 600	65 381	64 620	50 194	45 631
vii) Number industr, agricult & other prop (erven)	12 729	12 200	10 031	9 479	9 380	5 293	5 041
viii) Assessment Rate : Cent in the Rand	0.54	24.64(23.245)	23.245(21.93)	21.93(20.89)	20,89 (19,8)	19,8(18,7)	18.7 (11.22)
ix) Number of employees at local authority (excluding Pensioners & Councillors)	1 333	1 342	1 236	1 351	1 259	1 367	1 266
b) Electricity Statistics							
i) Number of consumers (res. & commercial)	± 68,000	63 863	59 846	57 684	56 362	55 065	50 566
ii) Units purchased (kwh)	969 951 130	861 054 812	843 525 816	845 233 537	795 370 874	762 509 740	729 945 164
iii) Units sold	608 610 910	573 261 082	660 140 106	653 456 321	618 755 976	591 484 063	564 405 121
iv) Units loss in distribution (ii - iii)	361 340 220	287 793 730	183 385 710	191 777 216	176 614 898	171 025 677	165 540 043
v) Units loss in ditribution (% of (ii))	37.25%	33.42%	21.71%	22.69%	22.21%	22,43%	22.68%
vi) Cost per unit purchased (Eskom) (cents)	33.56c	27.94c	20.08c	18.40c	17.24c	16.92c	15.80c
vii) Total cost per unit (cents)	45.97c	40.79c	31.66c	28.32c	24.83c	23,65c	21.75c
viii) Loss in distribution (Rand)	165 457 687	117 391 062	58 059 916	54 311 308	43 853 479	40 447 570	36 004 959
ix) Cost per unit sold (operating exp ¸ iii)	73.26c	61.27c	40.46c	36.64c	31,92c	30,49c	28.12c
x) Revenue per unit sold (operating inc ÷ iii)	60.44c	49.74c	32.28c	32.28c	32,42c	33,10c	33.14c
c) Water statistics							
i) Number of consumers (res. & commercial)	± 59,288	55 560	52 066	50 227	51 910	50 716	48 436
ii) Amount units filtered (Kilolitres)	39 306 725	35 956 420	36 998 439	40 215 095	34 624 406	31 799 450	31 620 905
iii) Units sold (KL)	19 511 014	19 067 069	20 175 541	21 857 474	20 176 205	18 523 465	18 760 333
iv) Units loss in distribution (KL) (ii - iii)	17 795 711	16 889 351	16 822 898	18 357 621	14 448 201	13 275 985	12 860 572
v) Kl loss in distribution (% of (ii))	50.36%	46.97%	45.47%	45.65%	41.73%	41,75%	40.68%
vi) Cost per kiloliter purified (sent/Cents)	344.83c	317.80c	279.17c	177.87c	205,33c	184,15c	167.05c
vii) Loss in distribution (Rand)	68 261 550	53 674 357	46 964 484	32 652 700	31 901 165	24 447 726	21 483 585
viii) Cost per unit sold (Operating expenses ¸ iii)	694.69c	599.25c	470.98c	327.27	352.37	316.13c	281.56c
ix) Revenue per unit sold (operating income ¸ iii)	566.90c	500.63c	404.80c	362.45	345.49	375.28c	406.85c